



March 5, 2010

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

RE: Proposed Changes to Regulation 12 CFR Part 704

Dear Ms. Rupp:

I am writing on behalf of Shell Federal Credit Union in Deer Park, Texas, a \$400 million institution. We welcome the opportunity to respond to such an important matter.

Shell FCU has been a member of the corporate credit union network for many, many years. Our primary corporate is Southwest Corporate, but we are/were members of 3 others: Southeast Corporate, Corporate One, and Wescorp. Currently, we utilize the corporate network mainly for investments and/or investment advisory services and overall cash management.

Shell FCU feels that change to the existing network is necessary. Ideally, changes to the network would entice credit unions to remain as loyal members and to utilize corporates as trusted service partners strengthening the credit union industry overall. Corporates would continue as an alternative to banks allowing for the competitive model that is the backbone of our nation. Instead it seems that proposed changes accomplish the opposite, pushing corporates toward non-existence.

Shell FCU respectfully submits the following 3 points for your consideration:

1. Treatment of Legacy Assets: The corporate credit union proposal does not address the treatment of legacy assets. It is important that the NCUA provide a solution in conjunction with this regulatory proposal that protects future investments in corporates from the impact of legacy assets. Without a solution for the treatment of these assets, this proposal is futile.



2. NEV Sensitivity Analysis: NEV Testing limits are too restrictive. Proposed limits in minimum NEV and maximum change for a 300 basis points shock severely limits corporates' ability to invest in assets with maturities greater than 2 months. Limiting sensitivity testing to 100 basis points and raising the NEV volatility testing to 35% would resolve this issue.
3. Retained Earnings Requirement: Again, it will be nearly impossible for corporates to attain the earnings requirement with the proposed NEV restrictions.

Further, the suggestion that corporates raise fees to member credit unions to attain proposed earnings requirements simply goes against grain of credit union philosophy. Natural person credit unions need corporates for their low pricing. A less restrictive NEV sensitivity analysis will result in increased earnings thus maintaining a corporate credit union alternative for services to natural person credit unions.

Again I ask the NCUA to consider these comments and provide natural person credit unions with a viable corporate credit union system.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elizabeth Monroy", is written over a horizontal line.

Elizabeth Monroy
VP/CFO

Shell Federal Credit Union
P.O. Box 578
Deer Park, Texas 77536

CC: Jose Rodriguez, President/CEO